California Medicine

Editor
DWIGHT L. WILBUR, M.D.

Assistant to the Editor
ROBERT F. EDWARDS
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EDITORIAL

Medicare and Medi-Cal

NOW THAT TEN MONTHS have passed since Medi-Cal and six months since Medicare became effective, it is appropriate to review and comment on the experiences of California physicians with these new laws. Considered the outstanding events in Medicine in 1966 the changes initiated by these statutes vitally affect all practicing physicians.

Medicare

From 1 July through 30 November 1966, the two Blue Cross plans in California had received almost 160,000 claims from hospitals and paid out nearly $60 million. The regulations have been modified so that one signature by the patient is now sufficient to support all claims for required services in a hospital. This requirement, we are told, has speeded up the processing of claims. The Blue Cross plans are further recommending that the requirement for the signature of a patient should be eliminated altogether, since it is often difficult for the hospital to obtain a signature, particularly in out-patient cases. The regulations have already been modified so that the Social Security Administration will now accept the signature of a relative, or even of a hospital official, if the patient is too ill to sign or has died.

Major problems that remain are caused by the complexity of the Medicare benefits. The beneficiaries do not understand to what they are and to what they are not entitled. Hospitals have found that billing for outpatient benefits under the law is most complicated.

By the first week in December 1966, California Blue Shield (CPS) had received a total of over 720,000 Part B Medicare claims and had paid out almost $7 million.

A substantial number of claim forms must still be returned for further information before they can be processed, resulting in an estimated backlog of approximately 140,000 claims over and above the normal number that are in the process of being paid.

Approximately 300,000 of the Medicare claims received by California Blue Shield through November 1966 were for patients who are eligible for both Medicare and Medi-Cal benefits. These "dual coverage" claims must be processed under the Medicare audit before they can be processed for Medi-Cal payment. This delay in processing and payment is, of course, a cause of considerable concern to many physicians and other providers of service. It is hoped that in the near future the law can be amended so that such claims need only be audited once and then paid with one check, issued either by the Social Security Administration or the State, rather than by two as at present. To do this it would be necessary for the two entities of government—federal and state—to make possible a bookkeeping or accounting record and credit of the proper amounts disbursed under both programs. This solution would be welcomed both by physicians and the carriers.

Medi-Cal

From 1 March through 30 November 1966, the Blue Cross plans processed more than 900,000